

# SECURITY CAPITAL

## U. S. REAL ESTATE

### GROWTH AND INCOME

#### INVESTMENT OBJECTIVE AND STRATEGY

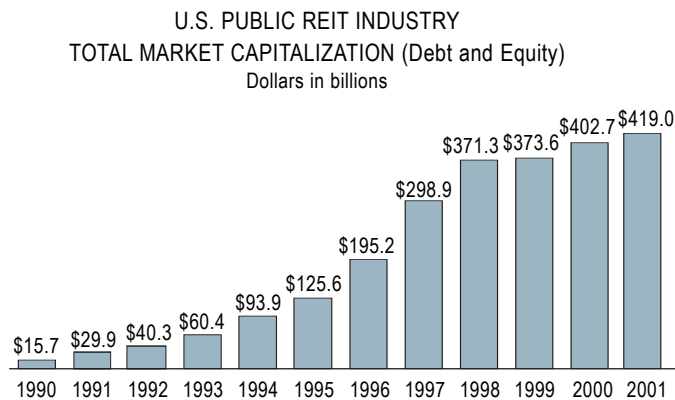
Security Capital U.S. Real Estate Growth and Income is a separate account designed for long-term investors seeking to maximize the growth potential of real estate securities. Each portfolio seeks top-quartile total returns over the long term, including current income and capital appreciation.

Security Capital U.S. Real Estate Growth and Income utilizes a disciplined, research-driven investment strategy to identify a high potential portfolio of 25 to 30 real estate securities in the United States. In selecting securities, the investment management team takes a disciplined approach, first considering the universe of public real estate companies in the United States. The team's proprietary research provides supply and demand forecasts of local real estate markets for all property types, assessment of individual companies' sustainable growth potential and analysis of the effect of market dynamics on company cash flow, growth and valuation.

#### AN INDUSTRY IN TRANSFORMATION

The U.S. public real estate securities market, as measured by the total market capitalization of real estate investment trusts (REITs), has experienced compounded annual growth of almost 50% since 1990<sup>1</sup>. With the majority of real estate assets still privately held, we believe there is room for this growth to continue.

#### EARLY STAGES OF PUBLIC COMPANY OWNERSHIP



<sup>1</sup>Source: SC-R&M, SNL Securities, LC.

**Highly focused portfolio**

**Securities market pricing**

- Cost of capital
- Price / cash flow multiple

**Individual company analysis**

- Cash flow stability and growth
- Management strength
- Business strategy
- Capitalization

**Real estate market research**

- Supply and demand fundamentals
- All property types
- Demographics

*Our investment approach provides a sound foundation for assessing value in public real estate companies.*



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## THE SECURITY CAPITAL ADVANTAGE

Security Capital Research & Management Incorporated (SC-R&M), the investment adviser, is a recognized expert in developing and providing real estate investment products to institutional clients. A subsidiary of Security Capital, an acknowledged leader in the global public real estate industry, SC-R&M has the dedicated resources and depth of experience we believe are necessary to deliver top-quartile performance. SC-R&M integrates comprehensive market research with in-depth valuation methodologies to structure portfolios geared to capitalize on the income and growth potential within real estate securities.

With over \$3.4 billion in total assets under management, SC-R&M is uniquely positioned to provide the management expertise that permits investing with confidence.

## INVESTMENT TEAM

Security Capital U.S. Real Estate Growth and Income is supported by an investment team which includes investment strategists, company/sector analysts and real estate market researchers. This team is led by:

### **Anthony R. Manno Jr., Chief Investment Officer**

27 years investment management experience

- Oversees all investment and capital allocation decisions for public market securities, company and industry analysis, market strategy, and trading and reporting
- Previously served as managing director of LaSalle Partners Incorporated, a real estate investment firm
- MBA, University of Chicago; MA, BA, Northwestern University

### **Kevin W. Bedell, Senior Vice President, Investment Research**

15 years investment management experience

- Directs all activities of the company/sector research group, which provides in-depth, proprietary research and analysis on publicly traded real estate companies
- Previously served as equity vice president and portfolio manager for LaSalle Partners Incorporated
- MBA, University of Chicago; BA, Kenyon College

### **Kenneth D. Statz, Senior Market Strategist**

20 years investment management experience

- Responsible for implementing day-to-day investment strategy
- Formerly served as senior REIT analyst in the investment research department of Goldman, Sachs & Co., and REIT portfolio manager and managing director of Chancellor Capital Management
- MBA, BBA, University of Wisconsin

## PORTFOLIO AT A GLANCE

|           |   |
|-----------|---|
| Benchmark | Wilshire Real Estate Securities Index               |
| Adviser   | Security Capital Research & Management Incorporated |

### FOR MORE INFORMATION

To learn more about SC-US Real Estate Growth and Income, call Security Capital toll-free at 1-888-868-9644.